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Israelis Prevent U.S. Access To New Figure in Pollard Case

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U.S. investigators say they believe another American was involved in the Jonathan Jay Pollard spy case, but the Israeli government has refused to allow him to leave Israel for questioning on his role in channeling Israeli payments to Pollard, according to knowledgeable sources.

Despite Israel's pledge that it would cooperate with the U.S. investigation "no matter where the trail may lead," the Israeli defense ministry has issued an order that bars Harold Katz, an attorney, from leaving the country, the sources said.

They said the order has effectively placed Katz beyond the reach of U.S. prosecutors because the Harvard Law School graduate, who lives in Israel and holds American and Israeli citizenship, is subject to Israeli law.

The disclosure that the Israeli spy ring may have included another person of American citizenship, besides Pollard and his wife, Anne Henderson-Pollard, is a major new development in the 16-month investigation.

Justice Department investigators believe that Katz holds the key to a host of unanswered questions about the extent to which Pollard's spying may have been sanctioned at senior levels of the Israeli government. Katz also may know whether top Israeli officials approved the payment of about \$50,000 to Pollard, according to the sources.

Katz is the owner of a condominium apartment in Northwest Washington where U.S. investigators believe the Israelis photocopied many of the classified military documents that Pollard provided. Katz purchased the apartment for \$82,500 in cash in March 1985, according to real estate records.

Sources said the Justice Department is willing to grant Katz immu-

nity from prosecution in exchange for his testimony before a federal grand jury here. That testimony could be highly damaging to Israel, which has repeatedly insisted that the Pollard spy ring was a "rogue operation" not authorized by the government.

Richard A. Green, Katz's Washington attorney, confirmed that the Justice Department has been seeking to question Katz but said he is certain that Katz "is not a target of the investigation."

After conferring with his client by telephone, Green said he was authorized to say that Katz "is not involved in and knows nothing about the Pollard matter."

"He's never refused to talk to American officials, nor has Israel prevented him from talking to American officials . . . It's a question of under what circumstances," Green said. "He is willing to talk to anybody at any time."

Green said Katz would have no further comment on the matter.

Asked about Katz' role and the government's alleged refusal to let him leave the country, an Israeli defense ministry official told Washington Post correspondent Glenn Frankel in Jerusalem that the Pollard case "is now under investigation by two committees in Israel and we are not able to discuss anything that relates to this whole subject."

Israeli government sources, reflecting the official view, confirmed that Katz played a role in the Pollard affair, but characterized his involvement as "marginal" and said Katz was not a matter of dispute between Washington and Tel Aviv. One source said the Knesset investigating subcommittee was aware of Katz' identity and the role that he played, but the source would not elaborate.

Another Israeli source said that Katz has complained about the government's handling of his case and even threatened at one point to sue the government if it did not compensate him for financial losses that would result if he is not allowed to travel to the United States.

Pollard, a former U.S. Navy intelligence analyst sentenced last month to life in prison, was paid \$2,500 monthly in return for delivering suitcases of classified documents to his Israeli contacts. He

has told prosecutors that he was promised \$300,000 over 10 years in a Swiss bank account.

Katz, a director of a Boston-based health care company, lives in a Tel Aviv suburb and has been practicing law in Israel since 1972. Legal proceedings related to his role have been placed under seal in U.S. District Court here because secret grand jury testimony is involved, sources said.

The dispute over Katz follows repeated U.S. complaints that Israel has failed to live up to its pledge to cooperate fully with the Justice Department and to "call to account" those responsible.

American officials were particularly angered by the promotion of Israeli Air Force Col. Aviem Sella shortly before he was indicted by a grand jury here for his role as Pollard's first "handler." Sella resigned his post Sunday as commander of one of Israel's largest air bases.

Three other Israelis, including Rafael Eitan, a former antiterrorism adviser to two prime ministers, have been named unindicted coconspirators in the case. The Justice Department is moving to revoke their immunity from prosecution on grounds that they misled U.S. investigators.

According to real estate records, Katz owns an eighth-floor apartment at 2939 Van Ness St. NW in the building where Irit Erb lived while she was a secretary at the Israeli Embassy here. Erb also was named an unindicted coconspirator.

Investigators believe that Katz' apartment was the site where Pollard regularly delivered many of the secret documents for photocopying.

Pollard delivered thousands of pages of documents to Erb at her apartment or "at another apartment within the same building," according to the charges to which Pollard pleaded guilty last June.

"This second apartment located in Irit Erb's apartment building was used for monthly meetings" between Pollard, Erb and Joseph Yagur, then an Israeli science consul, the charges said. The apartment was also used to pay Pollard and "to house the equipment used

for photocopying and photographing certain of the classified national defense documents delivered by Pollard," according to the charges.

The Israeli government initially offered to allow U.S. investigators to interview Katz in Israel if Israeli

officials were present and the questioning was limited to certain areas, according to sources. The Justice Department reluctantly agreed, but the Israelis later refused to allow an interview even under those conditions, the sources said.

U.S. investigators believe that Katz' testimony would be of little use unless it is taken before a grand jury in Washington, sources said, because similar supervised arrangements in Israel produced misleading answers from the three unindicted coconspirators in 1985.

Katz is a director of HealthCo International Inc., a Boston-based

dental equipment firm that has several branches in Israel and \$349 million in annual sales.

Company spokesman James S. Morgenthal said that Katz was the firm's first counsel when he was a Boston lawyer and became a director after moving his family to Israel in 1972. He said Katz has been regularly attending directors' meetings as recently as last fall.

Morgenthal added that Katz "has done various legal jobs for the Israeli government from time to time."

Pollard has said in court papers that his Israeli contacts told him "the highest levels of the Israeli government" had thanked him for passing U.S. secrets to Tel Aviv. He said that each month he was given "an extremely detailed list of material" needed by Israeli intelligence and given "finished technical assessments" of his material.